

REDACTED – FOR PUBLIC INSPECTION

VIA ECFS

July 1, 2015

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, D.C. 20554

RE: **REQUEST FOR CONFIDENTIAL TREATMENT**
WC Docket No. 14-58 - ETC Annual Reports and Certifications

Request that Information Submitted to the Commission be Withheld from Public Inspection Pursuant to 47 C.F.R. §0.459 and 5 U.S.C. §552(b)(4): Five-Year Service Quality Improvement Plan Progress Report included in FCC Form 481

Confidential Financial Information – Subject to Protective Order in WC Docket Nos. 10-90, 07-135, 05-337, 03-109, 14-58, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Before the Federal Communications Commission

Dear Ms. Dortch:

In accordance with the annual reporting requirements of 47 C.F.R. §§54.313 and 54.422, Cumby Telephone Cooperative, Inc. (the Cooperative), Study Area Code 442065 is submitting a completed FCC Form 481 to the Commission via its Electronic Comment Filing System (ECFS) in WC Docket No. 14-58. The Cooperative, by its authorized representative, hereby requests confidential treatment of two attachments to its FCC Form 481: (1) the five-year service quality improvement plan progress report and (2) the financial annual report, both of which were redacted in the ECFS submission. The request for confidential treatment of the five-year plan progress report is being made pursuant to Section 0.459 of the Commission's rules and Exemption 4 of the Freedom of Information Act (FOIA). The request for confidential treatment of the financial annual report is being made pursuant to the FCC's June 17, 2015 *Protective Order* in WC Docket No. 10-90 *et al.* These attachments contain competitively sensitive data that Cumby

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Telephone Cooperative, Inc. maintains as confidential and does not normally make available to the public. Release of this information would have a substantial negative impact on the Cooperative.

Five-Year Service Quality Improvement Plan Progress Report

Pursuant to Section 0.459 of the Commission's rules and Exemption 4 of FOIA, Cumby Telephone Cooperative, Inc. requests that the text and data extracted from its five-year service quality improvement plan progress report be withheld from public inspection because it contains competitively sensitive commercial and financial information that the Cooperative keeps confidential. Public availability of this information would have a substantial negative impact on the Cooperative.

In accordance with Section 0.459 of the Commission's rules, the following information is provided in support of this request:

(1) Identification of the specific information for which confidential treatment is sought:

Attachment to Line 112 of FCC Form 481 – Five-Year Service Quality Improvement Plan Progress Report. Specifically, confidential treatment is sought for all information in the five-year plan progress report related to the Cooperative's access line counts, existing broadband capabilities, and current and planned financial investments in its network that will improve service quality, service coverage, and/or service capacity for its customers.

(2) Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission:

The information was submitted in WC Docket No. 14-58 as an attachment to FCC Form 481- the Carrier Annual Reporting Data Collection Form. Section 100 of FCC Form 481 requires incumbent local exchange carriers receiving high cost support to attach a progress report on its five-year service quality improvement plan, pursuant to 47 C.F.R. §54.313(a)(1).

(3) Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged:

The five-year service quality improvement plan progress report contains granular information on the Cooperative's access line counts and/or existing broadband capabilities as well as recent and planned capital investments in its network to improve service quality, service coverage, and/or service capacity. It also contains a map of the Cooperative's service area detailing progress toward meeting broadband

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deployment targets at the wire center level. This is closely guarded, privileged information that the Cooperative does not make publicly available.

- (4) Explanation of the degree to which the information concerns a service that is subject to competition:

Broadband is subject to increasing competition in the areas served by rural, rate-of-return incumbent local exchange carriers (RLECs). Virtually all RLECs face competition from one or more wireless Internet service providers. Most RLECs also face competition from at least one other wireline broadband provider, such as a larger cable company, who will typically seek to “cherry pick” the lower cost portions of the study area. In addition, all RLECs face competition throughout their territories from satellite broadband providers.

- (5) Explanation of how disclosure of the information could result in substantial competitive harm:

Disclosure of the information contained in the five-year plan progress report would provide competitors with detailed, granular information regarding the Cooperative’s access line count, its existing broadband capabilities, and its recent and planned network investments that improve service quality, coverage, and/or capacity for subscribers. This would give competitors invaluable confidential information with which to develop their own strategies for investing in the service area, thereby bringing substantial competitive harm to the Cooperative.

- (6) Identification of any measures taken by the submitting party to prevent unauthorized disclosure:

The Cooperative has continually treated the extracted information in its five-year plan progress report as confidential and carefully controls the information to protect it from competitors. Access to the information is limited to employees that require it and to non-employees with confidentiality obligations such as lenders, consultants, auditors, and attorneys. In addition, when such information is required to be submitted to a state regulatory authority it has been filed as confidential information, not available to the public.

- (7) Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties:

The redacted information in the five-year plan progress report is not available to the public, and third-party access is limited as described in (6) above.

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- (8) Justification of the period during which the submitting party asserts that material should not be available for public disclosure:

The Cooperative requests that the extracted information be withheld from public inspection indefinitely. The information in the five-year plan progress report details the Cooperative's most recent network upgrades in relation to its previously submitted service quality improvement plan. It may also contain upcoming planned network improvements during the five-year period ending 2019. This information would provide a very useful baseline for competitors for several years beyond that period.

- (9) Any other information that the party seeking confidential information treatment believes may be useful in assessing whether its request for confidentiality should be granted:

Exemption 4 of FOIA shields from public disclosure commercial or financial information obtained from a person that is privileged or confidential. Based on the responses provided above, the information in question satisfies this test.

Financial Annual Report

Section 3005 of FCC Form 481 requires a privately-held rate-of-return carrier receiving high cost support to attach a full and complete annual report of the company's financial condition and operations pursuant to 47 C.F.R. §54.313(f)(2). Cumby Telephone Cooperative, Inc. seeks confidential treatment of its financial annual report pursuant to the June 17, 2015 *Protective Order* in WC Docket No. 10-90, *et al.*¹ The *Protective Order* specifically covers information filed pursuant to 47 C.F.R. §54.313(f)(2).

Cumby Telephone Cooperative, Inc. is providing to the Office of the Secretary, under seal, this cover letter and the Form 481 filing which includes the confidential information that is being requested to be withheld from public inspection.

Each page of the five-year service quality improvement plan progress report confidential submission bears the legend, "CONFIDENTIAL – NOT FOR PUBLIC DISCLOSURE."

Each page of the financial annual report confidential submission bears the legend, "CONFIDENTIAL FINANCIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, 14-58, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION."

¹ *Connect America Fund et al.*, WC Docket No. 10-90 *et al.*, Protective Order, DA 15-712 (rel. June 17, 2015).

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Two copies of the Form 481 filing in redacted form and an accompanying cover letter are also being provided with the confidential filing. Each page of the redacted filing and accompanying cover letter is marked "REDACTED – FOR PUBLIC INSPECTION."

Two copies of this cover letter and the Form 481 filing with the confidential information are also being delivered to Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau.

The confidential information has also been submitted to the Universal Service Administrative Company through its E-File system as attachments to the FCC Form 481.

This cover letter includes no confidential information and the text is the same in both the non-redacted and redacted versions except for the confidentiality markings.

Please contact me if you have any questions.

Sincerely,



Dorothy A. Young
Authorized Representative for
Cumby Telephone Cooperative, Inc.

DAY/pjf

Enclosures

cc: Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau, Federal Communications Commission, (2 hardcopies of non-redacted submission)

Ms. Karen Zimmerman, Cumby Telephone Cooperative, Inc.

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code	442065
<015> Study Area Name	CUMBY TEL COOP INC
<020> Program Year	2016
<030> Contact Name: Person USAC should contact with questions about this data	Vonda Kerby
<035> Contact Telephone Number: Number of the person identified in data line <030>	9039942211 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	vondak@cumbytel.com

ANNUAL REPORTING FOR ALL CARRIERS	54.313	54.422
	Completion Required	Completion Required

			(check box when complete)	
<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<300> Unfulfilled Service Requests (voice) <input type="text" value="0"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<310> Detail on Attempts (voice)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<320> Unfulfilled Service Requests (broadband) <input type="text" value="0"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<330> Detail on Attempts (broadband)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<410> Fixed	<input type="text" value="0.0"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<420> Mobile	<input type="text" value="0.0"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<440> Fixed	<input type="text" value="0.0"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<450> Mobile	<input type="text" value="0.0"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<510> <input type="text" value="442065tx510.pdf"/>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<610> <input type="text" value="442065tx610.pdf"/>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<1000> Voice Services Rate Comparability Certification	<input type="text" value="Yes"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<1010> <input type="text" value="442065tx1010.pdf"/>	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<1100> Certify whether terrestrial backhaul options exist (Yes or No) <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<1110>	(complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<2005>	(complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(100) Service Quality Improvement Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	442065
<015>	Study Area Name	CUMBY TEL COOP INC
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Vonda Kerby
<035>	Contact Telephone Number - Number of person identified in data line <030>	9039942211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	vondak@cumbytel.com

<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input checked="" type="radio"/> <input type="radio"/>
<111>	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC?	(yes / no) <input checked="" type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

442065tx112.pdf

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113>	Maps detailing progress towards meeting plan targets	Yes
<114>	Report how much universal service (USF) support was received	Yes
<115>	How much (USF) was used to improve service quality and how support was used to improve service quality	Yes
<116>	How much (USF) was used to improve service coverage and how support was used to improve service coverage	Yes
<117>	How much (USF) was used to improve service capacity and how support was used to improve service capacity	Yes
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.	Not Applicable

(900) Tribal Lands Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	442065
<015>	Study Area Name	CUMBY TEL COOP INC
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Vonda Kerby
<035>	Contact Telephone Number - Number of person identified in data line <030>	9039942211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	vondak@cumbyte1.com

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable

(1100) No Terrestrial Backhaul Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	442065
<015> Study Area Name	CUMBY TEL COOP INC
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Vonda Kerby
<035> Contact Telephone Number - Number of person identified in data line <030>	9039942211 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	vondak@cumbyte1.com

<1120> Please confirm whether terrestrial backhaul options exist within the supported area pursuant to § 54.313(g) (Yes, No).

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

(1200) Terms and Condition for Lifeline Customers Lifeline Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	442065
<015>	Study Area Name	CUMBY TEL COOP INC
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Vonda Kerby
<035>	Contact Telephone Number - Number of person identified in data line <030>	9039942211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	vondak@cumbytel.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans	442065tx1210.pdf Name of Attached Document
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<1220> Link to Public Website	HTTP _____
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"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- | | |
|--|-------------------------------------|
| <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, | <input checked="" type="checkbox"/> |
|--|-------------------------------------|
- | | |
|---|-------------------------------------|
| <1222> Details on the number of minutes provided as part of the plan, | <input checked="" type="checkbox"/> |
|---|-------------------------------------|
- | | |
|---|-------------------------------------|
| <1223> Additional charges for toll calls, and rates for each such plan. | <input checked="" type="checkbox"/> |
|---|-------------------------------------|

(2000) Price Cap Carrier Additional Documentation	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
<i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i>	July 2013

<010>	Study Area Code	442065
<015>	Study Area Name	CUMBY TEL COOP INC
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Vonda Kerby
<035>	Contact Telephone Number - Number of person identified in data line <030>	3633942211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	vondaak@cumbytel.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

<2010>	2nd Year Certification (47 CFR § 54.313(b)(1)i)	<input type="text"/>
<2011a>	3rd Year Certification (47 CFR § 54.313(b)(1)ii)	<input type="text"/>
<2011b>	Attachment (47 CFR § 54.313(b)(1)iii)	<div style="border: 1px solid black; width: 200px; height: 30px; margin: 0 auto;"></div> <p style="font-size: small; text-align: center;">Name of Attached Document(s) Listing Required Information</p>

Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a))

<2012>	2013 Frozen Support Calculation (47 CFR § 54.313(c)(1))	<input type="text"/>
<2013>	2014 Frozen Support Calculation (47 CFR § 54.313(c)(2))	<input type="text"/>
<2014>	2015 Frozen Support Calculation (47 CFR § 54.313(c)(3))	<input type="text"/>
<2015>	2016 and future Frozen Support Calculation (47 CFR § 54.313(c)(4))	<input type="text"/>

Price Cap Carrier Connect America ICC Support (47 CFR § 54.313(d))

<2016>	Certification Support Used to Build Broadband	<input type="text"/>
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Connect America Phase II Reporting (47 CFR § 54.313(e))

<2017>	3rd year Broadband Service Certification	<input type="text"/>
<2018>	5th year Broadband Service Certification	<input type="text"/>
<2019>	Interim Progress Certification	<input type="text"/>
<2020>	Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.	<input type="text"/>

<2021>	Interim Progress Community Anchor Institutions	<div style="border: 1px solid black; width: 250px; height: 40px; margin: 0 auto;"></div> <p style="font-size: small; text-align: center;">Name of Attached Document(s) Listing Required Information</p>
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(3000) Rate Of Return Carrier Additional Documentation	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

<010>	Study Area Code	442065
<015>	Study Area Name	CUMBY TEL COOP INC
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Vonda Kerby
<035>	Contact Telephone Number - Number of person identified in data line <030>	9039942211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	vondak@cumbytel.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

442065tx3010.docx

(3010) **Progress Report on 5 Year Plan**
Milestone Certification (47 CFR § 54.313(f)(1)(i))

Name of Attached Document Listing Required Information

(3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

442065tx3012.pdf

(3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))

Name of Attached Document Listing Required Information

(3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2)) (Yes) (No)

(3014) If yes, does your company file the RUS annual report (Yes) (No)

Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)

(3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

Name of Attached Document Listing Required Information

(3018) If the response is no on line 3014, is your company audited? (Yes) (No)

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications

(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3021) Management letter and audit opinion issued by the independent certified public accountant that performed the company's financial audit

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,

(3023) Underlying information subjected to a review by an independent certified public accountant

(3024) Underlying information subjected to an officer certification.

(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

442065tx3026.pdf

(3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation (Continued)	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

<010> Study Area Code	442065
<015> Study Area Name	CUMBY TEL COOP INC
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Vonda Kerby
<035> Contact Telephone Number - Number of person identified in data line <030>	9039942211 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	vondak@cumbytel.com

Financial Data Summary

- (3027) Revenue
- (3028) Operating Expenses
- (3029) Net Income
- (3030) Telephone Plant In Service(TPIS)
- (3031) Total Assets
- (3032) Total Debt
- (3033) Total Equity
- (3034) Dividends



Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	442065
<015>	Study Area Name	CUMBY TEL COOP INC
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Vonda Kerby
<035>	Contact Telephone Number - Number of person identified in data line <030>	9039942211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	vondak@cumbytel.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	442065
<015> Study Area Name	CUMBY TEL COOP INC
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Vonda Kerby
<035> Contact Telephone Number - Number of person identified in data line <030>	9039942211 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	vondak@cumbytel.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

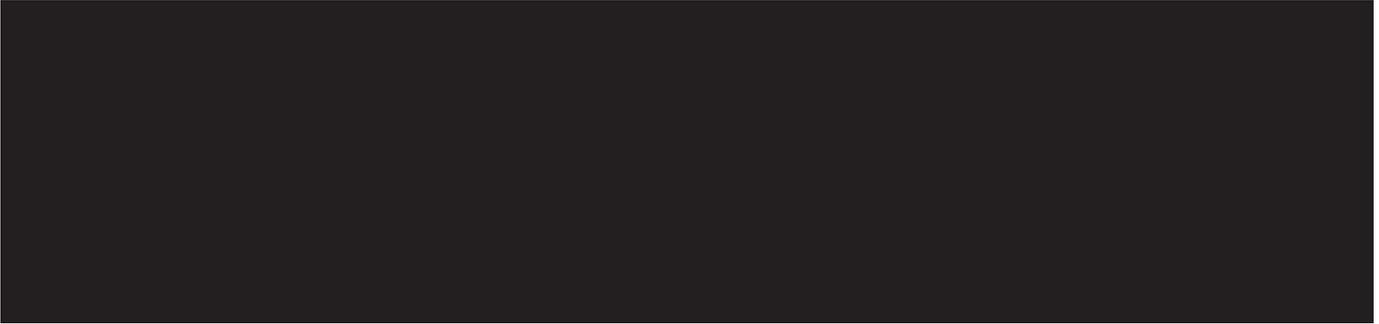
Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
<p>I certify that (Name of Agent) <u>Dorothy Young</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.</p>	
Name of Authorized Agent:	<u>Dorothy Young</u>
Name of Reporting Carrier:	<u>CUMBY TEL COOP INC</u>
Signature of Authorized Officer:	<u>CERTIFIED ONLINE</u> Date: <u>06/24/2015</u>
Printed name of Authorized Officer:	<u>Karen Zimmerman</u>
Title or position of Authorized Officer:	<u>General Manager</u>
Telephone number of Authorized Officer:	<u>9039942211 ext.</u>
Study Area Code of Reporting Carrier:	<u>442065</u> Filing Due Date for this form: <u>07/01/2015</u>
<small>Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.</small>	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
<p>I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.</p>	
Name of Reporting Carrier:	<u>CUMBY TEL COOP INC</u>
Name of Authorized Agent or Employee of Agent:	<u>Dorothy Young</u>
Signature of Authorized Agent or Employee of Agent:	<u>CERTIFIED ONLINE</u> Date: <u>06/24/2015</u>
Printed name of Authorized Agent or Employee of Agent:	<u>Dorothy Young</u>
Title or position of Authorized Agent or Employee of Agent:	<u>Authorized Representative</u>
Telephone number of Authorized Agent or Employee of Agent:	<u>5126527726 ext.</u>
Study Area Code of Reporting Carrier:	<u>442065</u> Filing Due Date for this form: <u>07/01/2015</u>
<small>Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.</small>	

Attachments

**LINE 112 – FIVE-YEAR SERVICE QUALITY IMPROVEMENT PLAN
PROGRESS REPORT**



The Cooperative received \$94,352 in Universal Service Fund (“USF”) support during the period January through April 2015. It projects that it will receive \$47,644 in USF support during the period May-June 2015. The Cooperative therefore projects that its total USF support for the first half of 2015 (Jan.-Jun.) will be \$141,966.

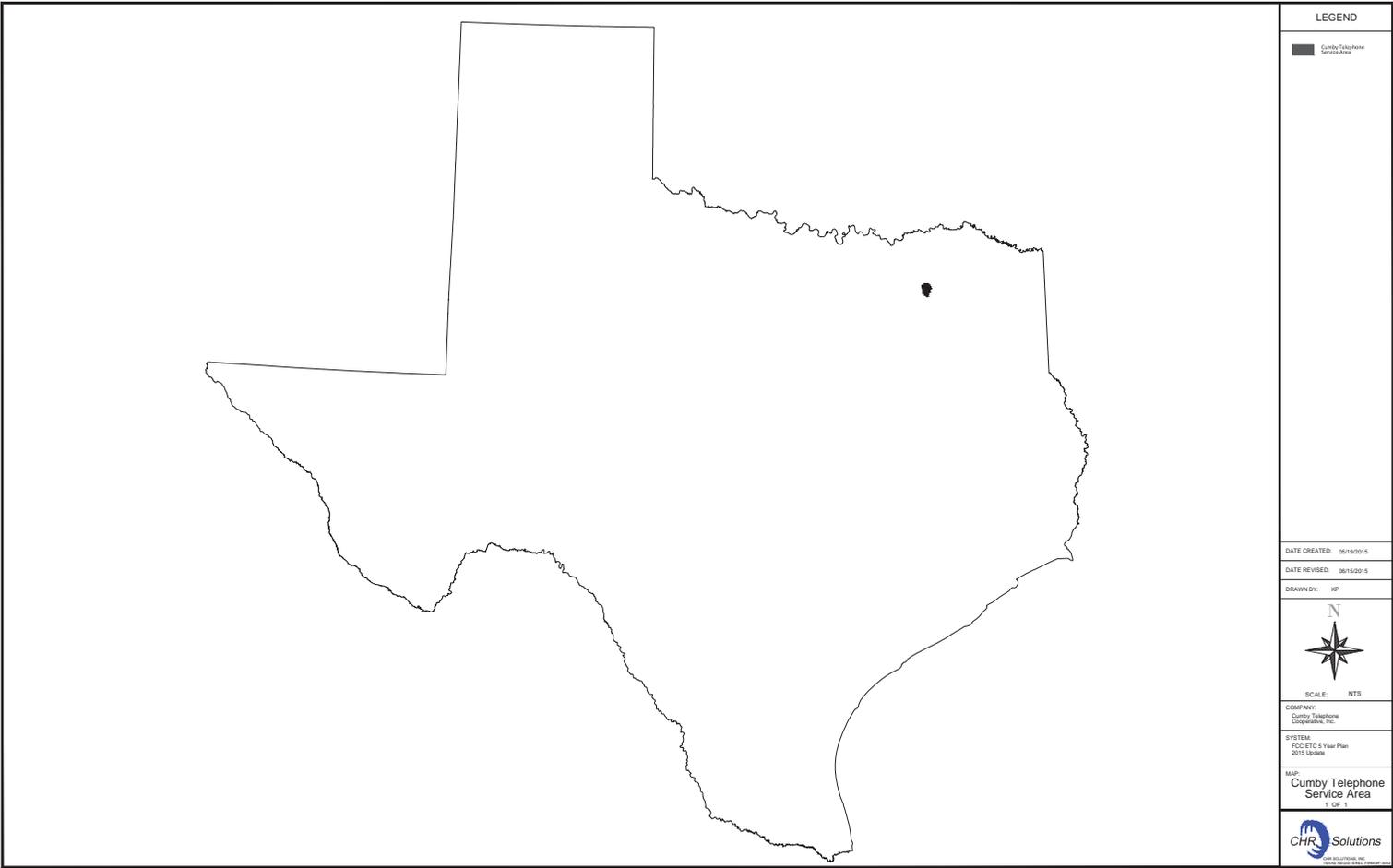


Service Quality Improvement Plan Progress Report

Exchange	Description Improvements	of 2015 Forecast	2015 Progress (Jan.-Jun.)
[Redacted Content]			

2015 Progress Report Description





LEGEND

 Cumby Telephone Service Area

DATE CREATED: 06/15/2015

DATE REVISED: 06/15/2015

DRAWN BY: KP



SCALE: NTS

COMPANY:
Cumby Telephone
Company, Inc.

SYSTEM:
FDG ETC 5 Year Plan
2015 Update

MAP:
Cumby Telephone
Service Area
1 OF 1

 **CHR Solutions**
CHR SOLUTIONS, INC.
1000 UNIVERSITY PARK DR.



LINE 510 - SERVICE QUALITY STANDARDS AND CONSUMER PROTECTION RULES COMPLIANCE

Cumby Telephone Cooperative, Inc. (the Cooperative) complies with applicable service quality standards and consumer protection rules as required by the Public Utility Commission of Texas (PUCT) and the Federal Communications Commission.

The rates, terms, and conditions under which the Cooperative operates are outlined in its Local Exchange Tariff, which is approved by the PUCT. The Cooperative's tariff contains provisions regarding its customer service and protection practices, including resolving disputes with the Cooperative, applying for service, the classification of business and residential rates, deposits, billing and payment for service, refusal, disconnection and cancellation of service. The tariff is available for customer review in the Business Office, as requested. Rates and terms of service are disclosed to customers upon application for service both verbally and in writing as part of a packet of information for new customers. Rates, applications and certain terms of service are also available on the Cooperative's website.

Service quality standards for voice service are established by the PUCT and the Cooperative consistently meets or exceeds the standards and provides reports to the PUCT, in accordance with the state commission rules.

With regard to broadband service, the Cooperative provisions its network and equipment to ensure that its customers can enjoy the speeds to which they subscribe. However, Internet speeds generally result from a "best effort" service and are dependent upon a number of variables, many of which are outside the control of the Cooperative.

The Cooperative complies with any and all consumer protection obligations under state law.

The Cooperative also complies with the following consumer best practices: (1) the Cooperative discloses its rates and terms of service to customers; (2) the Cooperative provides specific disclosures in its advertising; (3) the Cooperative separately identifies carrier charges from taxes on its billing statements; (4) the Cooperative provides ready access to customer service; (5) the Cooperative promptly responds to consumer inquiries and complaints received from government agencies; and (6) the Cooperative abides by policies for protection of consumer privacy.

Finally, the protection of customers' privacy and information is of utmost importance and the Cooperative has a policy and established operating procedures that comply with the FCC's Customer Proprietary Network Information Rules (47 C.F.R. §§64.2001-64.2011). Certification and a description of those operating procedures are filed at the FCC annually.

LINE 610 - ABILITY TO FUNCTION IN EMERGENCY SITUATIONS

Cumby Telephone Cooperative, Inc. (the Cooperative) is able to function in emergency situations. The Cooperative has a reasonable amount of back-up power to ensure functionality without an external power source. Standby power generators are supplied at the central office, remote switch sites, and repeater sites to ensure functionality without an external power source until power is restored. The network is capable of managing traffic spikes resulting from emergency situations.

The Cooperative is able to reroute traffic around damaged facilities. Although the Cooperative's ability to reroute traffic around damaged facilities is not absolute and may be limited in certain circumstances, there is a restoration plan in place for expeditious recovery of service, including splicing of damaged facilities when warranted.

LINE 1010 – VOICE SERVICES RATE COMPARABILITY

The Wireline Competition Bureau's most recent reasonable comparability benchmark for voice services is \$47.48, which includes the federal subscriber line charge ("SLC").¹

In the exchanges served by Cumby Telephone Cooperative, Inc., the highest single-line residential local rate, including any mandatory extended area service charge, is \$15.00. When the federal SLC and the state universal service fee are added, the total is less than the reasonable comparability benchmark of \$47.48.

¹ *Wireline Competition Bureau Announces Results of 2015 Urban Rate Survey for Fixed Voice and Broadband Services and Posting of Survey Data and Explanatory Notes*, Public Notice, WC Docket No. 10-90, DA 15-470 (rel. April 16, 2015).

LINE 1210 – TERMS & CONDITIONS OF VOICE TELEPHONY LIFELINE PLANS

Cumby Telephone Cooperative, Inc. (the Cooperative) offers qualified Lifeline subscribers a discount of \$13.75 (federal discount of \$9.25 + a state Lifeline discount of \$3.50 + an additional state reduction of \$1.00) to a stand-alone residential local exchange service line rate.

In all exchanges served by the Cooperative, the Lifeline rate for single-line residential voice service, including any mandatory extended area service charge and the federal subscriber line charge, is \$6.25 (\$20.00 less the \$13.75 discount).

The local exchange access line rate includes an unlimited amount of local calling minutes. Additional charges for toll calls associated with the stand-alone residential access line are billed at the rates of the long distance carrier chosen by the subscriber.

Qualified Lifeline customers may also subscribe to Cumby Flex Pak and Cost Saver Entertainment for Residential customers with the same reductions applied against that portion of the package rate that is for basic network service (one line only). These plans include a long distance calling plan, internet and broadband services as well as a choice of optional services.

See attached pages from the Cooperative's Local Exchange Tariff describing the terms and conditions of Lifeline service.

LOCAL EXCHANGE SERVICE

II. APPLICATION OF RATES (Continued)

B. Lifeline Program

The Lifeline Program is a retail local service offering designed to make telephone service available at reduced rates to qualifying low-income customers.

1. General

- a. A qualifying low-income customer subscribing to the Lifeline Program shall receive federal and state reductions to their monthly tariffed residential local exchange access line rate.
- b. Nothing in this section shall prohibit a customer who is otherwise eligible for the Lifeline Service from obtaining and using telecommunications equipment and services designed to aid such customer in utilizing qualifying telecommunications services.
- c. Lifeline Service reductions do not apply to surcharges, taxes, long distance service, 976, and other information related telecommunications services, and optional services such as custom calling features. Customers may obtain these services, where available, at their discretion.
- d. The Lifeline Service reductions do not apply to service connection charges.

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Effective: December 1, 2014
By: Karen Zimmerman
Title: Manager

LOCAL EXCHANGE SERVICE

II. APPLICATION OF RATES (Continued)

B. Lifeline Program (Continued)

1. General (Continued)

- e. The Cooperative may not disconnect the service of a Lifeline Service customer for the non-payment of toll charges. However, the Cooperative reserves the right to implement toll blocking, at no charge, if the customer incurs a significant balance of unpaid toll bills. The Cooperative will inform the customer, by direct mail, of this change to their service due to the customer's non-payment of toll charges. Upon the customer's payment of all outstanding toll charges, the Cooperative shall remove mandatory toll blocking at no charge.
- f. Upon subscribing to the Lifeline Service, a customer will be offered a subscription, at no charge, to toll blocking service (in exchanges where technically available) which denies the customer access to the long distance telecommunications network; however, the customer is under no obligation to accept the subscription to toll blocking.
- g. The Lifeline Service rate reductions will not be available on a retroactive basis unless approved by the Public Utility Commission of Texas or the Low-Income Discount Administrator (LIDA).

2. Designated Lifeline Services

The Cooperative shall offer voice telephony services that provide the following functionalities as designated Lifeline Services:

- a. Voice grade access to the public switched network or its functional equivalent;
- b. Minutes of use for local service provided at no additional charge to the customer;
- c. Access to emergency services;
- d. Toll blocking service.

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Effective: December 1, 2014
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Title: Manager

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LOCAL EXCHANGE SERVICE

II. APPLICATION OF RATES (Continued)

B. Lifeline Program (Continued)

3. Eligibility Requirement

a. Qualifying Low-income (Eligible) Customer Criteria

An eligible customer shall be defined as an individual whose annual household income is at or below 150% of the federal poverty guidelines or in whose household resides a person who receives or has a child who receives benefits from at least one of the following programs:

- 1) Medicaid
- 2) Food Stamps (Supplemental Nutrition Assistance Program)
- 3) Supplemental Security Income (SSI)
- 4) Federal Public Housing Assistance (FPHA)
- 5) Low-Income Home Energy Assistance Program (LIHEAP)
- 6) Health benefits coverage under the state Children's Health Insurance Program (CHIP)
- 7) National School Lunch Program's Free Lunch Program
- 8) Temporary Assistance for Needy Families

The Lifeline Service rate reductions will be provided per eligible customer. The Low-Income Discount Administrator (LIDA) will provide a list of eligible customers to the Cooperative each month.

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Effective: December 1, 2014
By: Karen Zimmerman
Title: Manager

LOCAL EXCHANGE SERVICE

II. APPLICATION OF RATES (Continued)

B. Lifeline Program (Continued)

3. Eligibility Requirement (Continued)

b. Obligations of the Customer

- 1) Customers whose annual household income is at or below 150% of the federal poverty guidelines or who participate in FPHA or LIHEAP programs may self-enroll for Lifeline Program benefits by completing an application form and returning it to LIDA. LIDA will send a blank application upon customer request. LIDA can be reached at 1-866-4LITEUP. Current customers receiving benefits under Medicaid, Food Stamps, SSI or CHIP will be subject to the Lifeline Program automatic enrollment procedures as provided by the LIDA unless they provide a written request to the LIDA to be excluded from the Lifeline Program.
- 2) A customer who is eligible for the Lifeline Program but does not have telephone service at the time the LIDA provides its eligibility list to the Cooperative, shall be responsible for initiating a request for the Lifeline Program from the Cooperative.

c. Obligations of the Cooperative

- 1) LIDA will provide a list of eligible customers to the Cooperative on a monthly basis. Upon receipt of the list, the Cooperative shall begin reduced billing for those customers within 30 days.

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Effective: December 1, 2014
By: Karen Zimmerman
Title: Manager

LOCAL EXCHANGE SERVICE

II. APPLICATION OF RATES (Continued)

B. Lifeline Program (Continued)

3. Eligibility Requirement (Continued)

d. Discontinuance of Service

- 1) Discontinuance of Lifeline Discounts for customers automatically enrolled: The eligibility period for automatically enrolled customers is the length of their enrollment in Texas Health and Human Services Commission (THHSC) benefits plus a period of 60 days for renewal. Automatically enrolled customers will have an opportunity to renew their THHSC benefits or self-enrollment with LIDA upon the expiration of their automatic enrollment.
- 2) Discontinuance of Lifeline Discounts for customers who have self-enrolled: Individuals not receiving benefits through THHSC programs, but who have met Lifeline income qualifications, are eligible to receive the Lifeline Discount for seven months, which includes a period of 60 days during which the customer may renew their eligibility with LIDA for an additional seven months.

4. Deposit and Credit Requirements

- a. The Cooperative shall be prohibited from charging a service deposit in order to initiate the Lifeline Program if the eligible customer voluntarily elects to receive toll blocking.
- b. The Cooperative may charge a service deposit if the eligible customer denies subscription to toll blocking upon subscribing to the Lifeline Program.

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By: Karen Zimmerman
Title: Manager

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LOCAL EXCHANGE SERVICE

II. APPLICATION OF RATES (Continued)

B. Lifeline Program (Continued)

4. Deposit and Credit Requirements (Continued)

- c. In instances where the Cooperative may require a service deposit, the same credit verification procedures and deposit regulations used for all applicants who apply for service with the Cooperative are also applicable to eligible customers for the Lifeline Program.

5. Service Connection Charges

- a. Service connection charges do not apply to eligible customers with existing, qualifying service converting to the Lifeline Program.
- b. Service connection charges do apply when:
 - 1) Existing eligible customer requests additional non-qualifying services at the time Lifeline Program reduced billing is initiated.
 - 2) New customers (those without existing local exchange access service) eligible for the Lifeline Program establish service.
 - 3) Customers make subsequent moves or changes after initial connection to the Lifeline Program.

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Effective: December 1, 2014
By: Karen Zimmerman
Title: Manager

LOCAL EXCHANGE SERVICE

II. APPLICATION OF RATES (Continued)

B. Lifeline Program (Continued)

6. Lifeline Program Rate Reduction

a. Implementation

The Cooperative shall provide reduced billing for all Lifeline Program eligible customers within its service area in accordance with the Commission's Substantive rules.

In instances where a customer inquires about participation in the Lifeline Program, the Cooperative shall contact information for LIDA.

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Effective: December 1, 2014
By: Karen Zimmerman
Title: Manager

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LOCAL EXCHANGE SERVICE

II. APPLICATION OF RATES (Continued)

B. Lifeline Program (Continued)

6. Lifeline Program Rate Reduction (Continued)

b. Amounts

The Cooperative shall apply Lifeline Program rates, per eligible customer, as described below.

	<u>Monthly Rate Reduction</u>
1) Federal Reduction applied to Federal Subscriber Line Charge and Residential Local Exchange Access Line Charge	47.C.F.R. Section 54.403
2) Maximum State Reduction to Residential Local Exchange Access Line Rate	\$3.50
3) Additional Small Rural Local Exchange Company Universal Service Plan Area Discount Composed of up to 25% of the Local Exchange Access Line Rate Increase Amount	SR 26.412 (f)(1)(E)(i-ii)

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Effective: Upon Approval
By: Karen Zimmerman
Title: Manager

LOCAL EXCHANGE SERVICE

III. LOCAL EXCHANGE SERVICE RATES AND CHARGES

A. Residence Monthly Local Exchange Access Line Rates ⁽¹⁾

	<u>Monthly Rate</u>
1-Party Service	\$15.00

B. Business Monthly Local Exchange Access Line Rates ⁽¹⁾

	<u>Monthly Rate</u>
1-Party Service	\$17.00
PBX Trunks	\$17.10
Rotary/Multi-Line Service	\$17.00

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(1) Rates for Access Line Service do not include a charge for an instrument or other customer premises equipment.

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Effective: December 1, 2014
By: Karen Zimmerman
Title: Manager

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LOCAL EXCHANGE SERVICE

IV. LOCAL EXCHANGE SERVICE PACKAGE – Residence

Cumby Cost Saver Entertainment Pak

Monthly Rate ⁽¹⁾
\$99.95

- Two Access Lines with ELC or EAS
- **OPTIONAL SERVICES – Pick any four features** ⁽³⁾
 - Call Forwarding Busy/No Answer
 - Call Block
 - Call Waiting/Cancel Call Waiting
 - Remote Access to Call Forwarding
 - Speed Dial (8 numbers)
 - Three Way Calling
 - Call Return
 - Selective Call Forwarding
 - Caller ID Name and Number
 - Anonymous Call Rejection
- **LONG DISTANCE CALLING PLAN** ⁽²⁾⁽⁵⁾
 - Nationwide Calling – 600 minutes
- **INTERNET SERVICE** ⁽⁴⁾
 - 2Mbps Broadband Service with Unlimited Internet Access
- **VIDEO SERVICE**
 - Includes all Local and Premium Channels
- **OPTIONAL SERVICES**
For an additional charge per month
 - Email Accounts \$2.00
 - Voicemail \$1.00
- **UPGRADE BROADBAND SERVICES** ⁽⁴⁾
For an additional charge per month
 - 4Mbps Broadband Service \$20.00
 - 6Mbps Broadband Service \$40.00
 - 10Mbps Broadband Service \$60.00
 - High-Speed Modem Protection \$2.99
 - Wireless Router Equipment Charge \$3.99

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⁽¹⁾ Rates do not include applicable state and federal taxes. The End User Common Line Charge, as approved in the Cooperative's Interstate Access Service Tariff, National Exchange Carrier Association, Inc. Tariff FCC No. 5, is not included in the package price.

⁽²⁾ Package subscribers must subscribe to Personal Touch Long Distance. Upgrade Long Distance Minutes to unlimited plan for an additional fee of \$14.95 per month.

⁽³⁾ Customers can choose up to four features on one or both lines.

⁽⁴⁾ Broadband Service is provided by Cumby Telephone. DSL/Internet Service is available on one access line.
Speed for an additional monthly fee.
Upgrade to Broadband 4Mbps: \$20.00 more per month
Upgrade to Broadband 6Mbps: \$40.00 more per month
Upgrade to Broadband 10Mbps: \$60.00 more per month

⁽⁵⁾ Toll Calling is provided by Personal Touch Long Distance. Additional minutes above package minutes are at \$0.10 per minute. Both access lines share the minutes in each calling plan. Certain restrictions apply.

Effective: December 1, 2014
By: Karen Zimmerman
Title: Manager

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LINE 3010 – MILESTONE CERTIFICATION

Cumby Telephone Cooperative, Inc. (the “Cooperative”) hereby certifies that the Cooperative has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of 4 Mbps downstream/1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to reasonably comparable offerings in urban areas, and that requests for such service are met within a reasonable amount of time.

LINE 3012 – COMMUNITY ANCHOR INSTITUTIONS

Cumby Telephone Cooperative, Inc. did not newly deploy broadband service to any community anchor institutions in the preceding calendar year (2014).



**CUMBY TELEPHONE COOPERATIVE, INC.
CUMBY, TEXAS**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

**As of December 31, 2014 and 2013
With Independent Auditor's Report**

**CUMBY TELEPHONE COOPERATIVE, INC.
CUMBY, TEXAS**

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Independent Auditor's Report

The Board of Directors
Cumby Telephone Cooperative, Inc.
Cumby, Texas

We have audited the accompanying consolidated financial statements of Cumby Telephone Cooperative, Inc., which comprise the balance sheets as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cumby Telephone Cooperative, Inc. as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The comparative balance sheets, statements of operations, and cash flows on pages 25 through 28, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Curtis Blahely & Co, P.C.

Longview, Texas

March 3, 2015

**CUMBY TELEPHONE COOPERATIVE, INC.
CONSOLIDATED BALANCE SHEETS
December 31**

Assets

	<u>2014</u>	<u>2013</u>
Current Assets:		
Cash and cash equivalents		
Certificates of deposit		
Marketable securities		
Telecommunications accounts receivable		
Other receivables		
Materials and supplies		
Prepayments		
Total Current Assets		
Property, Plant, and Equipment:		
Plant in service		
Less: Accumulated depreciation		
Net Property, Plant, and Equipment		
Investments and Other Assets:		
Cellular investments		
Intangibles		
Other assets		
Total Investments and Other Assets		
Total Assets		

(The accompanying notes are an integral part of these consolidated financial statements.)

**CUMBY TELEPHONE COOPERATIVE, INC.
CONSOLIDATED BALANCE SHEETS
December 31**

Liabilities and Equity

	<u>2014</u>	<u>2013</u>
Current Liabilities:		
Accounts payable		
Accrued income tax		
Other accrued liabilities		
Unearned revenue		
Total Current Liabilities		
Other Liabilities:		
Deferred income tax		
Equity:		
Memberships		
Retained margin		
Patronage capital		
Accumulated other comprehensive income:		
Unrealized gain on marketable securities		
Unrecognized postretirement benefit costs		
Total Equity		
Total Liabilities and Equity		

(The accompanying notes are an integral part of these consolidated financial statements.)

**CUMBY TELEPHONE COOPERATIVE, INC.
 CONSOLIDATED STATEMENTS OF OPERATIONS
 For the Years Ended December 31**

	<u>2014</u>	<u>2013</u>
Operating Revenues:		
Local network services		
Network access services		
Long distance network services		
Internet and video services		
Miscellaneous		
Uncollectibles		
Total Operating Revenues		
Operating Expenses:		
Plant specific operations		
Plant nonspecific operations		
Depreciation and amortization		
Customer operations		
Corporate operations		
Total Operating Expenses		
Operating Taxes:		
Income tax expense		
Other operating taxes		
Total Operating Taxes		
Operating Margin		
Nonoperating Margin:		
Interest and dividend income		
Distributions from partnerships		
Other nonoperating expenses		
Income taxes		
Total Nonoperating Margin		
Net Margin		

(The accompanying notes are an integral part of these consolidated financial statements.)

**CUMBY TELEPHONE COOPERATIVE, INC.
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 For the Years Ended December 31**

	<u>2014</u>	<u>2013</u>
Net Margin		
Other Comprehensive Income:		
Unrealized holding gain (loss) arising during period		
Income tax		
Less: Reclassification adjustment for prior year unrealized (gains) losses		
Income Tax		
Total unrealized holding (loss) gain adjustment		
Postretirement benefit gain emerging		
Amounts reclassified from accumulated other comprehensive income		
Income tax		
Total Pension and Post-Retirement Benefit Adjustment		
Other Comprehensive Income		
Comprehensive Income		

(The accompanying notes are an integral part of these consolidated financial statements.)

CUMBY TELEPHONE COOPERATIVE, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY
For the Years Ended December 31

	<u>Retained Margin</u>	<u>Patronage Capital</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Total</u>
Balance, January 1, 2013				
Net margin				
Retirements and other changes				
Federal excise tax refund				
Other comprehensive income				
Balance, December 31, 2013				
Net margin				
Retirements and other changes				
Federal excise tax refund				
Other comprehensive income				
Balance, December 31, 2014				

(The accompanying notes are an integral part of these consolidated financial statements.)

**CUMBY TELEPHONE COOPERATIVE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31**

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities:		
Net margin		
Adjustments to reconcile net margin to net cash provided by operating activities:		
Depreciation		
Gain on sale of securities		
Gain on sale of equipment		
Amortization of premium		
Change in assets and liabilities:		
Accounts receivable		
Inventory held for sale		
Prepays		
Accounts payable and accruals		
Deferred income tax		
Total Adjustments		
Net Cash Provided by Operating Activities		
Cash Flows from Investing Activities:		
Proceeds from sales of plant		
Capital expenditures		
Investment in certificates of deposit		
Investment in marketable securities		
Proceeds from marketable securities		
Net Cash Used in Investing Activities		
Cash Flows from Financing Activities:		
Receipt of memberships		
Payment of capital credits		
Net Cash Used in Financing Activities		
Net Increase in Cash and Cash Equivalents		
Cash and Cash Equivalents at Beginning of Year		
Cash and Cash Equivalents at End of Year		

(The accompanying notes are an integral part of these consolidated financial statements.)

**CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014**

Note 1 – Description of Operations and Summary of Significant Accounting Policies:

Basis of Presentation



Cost Method Investments



**CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014**

Note 1 – Description of Operations and Summary of Significant Accounting Policies: (continued)



Property, Plant, and Equipment



Intangible Assets



Internal Use Software



Income Taxes



**CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014**

Note 1 – Description of Operations and Summary of Significant Accounting Policies: (continued)



Revenue Recognition



CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

Note 1 – Description of Operations and Summary of Significant Accounting Policies: (continued)

Postretirement Benefits Other Than Pension

[REDACTED]

Comprehensive Income

[REDACTED]

Advertising

[REDACTED]

Accounts Receivable

[REDACTED]

Materials and Supplies

[REDACTED]

Patronage Capital

[REDACTED]

Cash and Cash Equivalents

[REDACTED]

**CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014**

Note 1 – Description of Operations and Summary of Significant Accounting Policies: (continued)

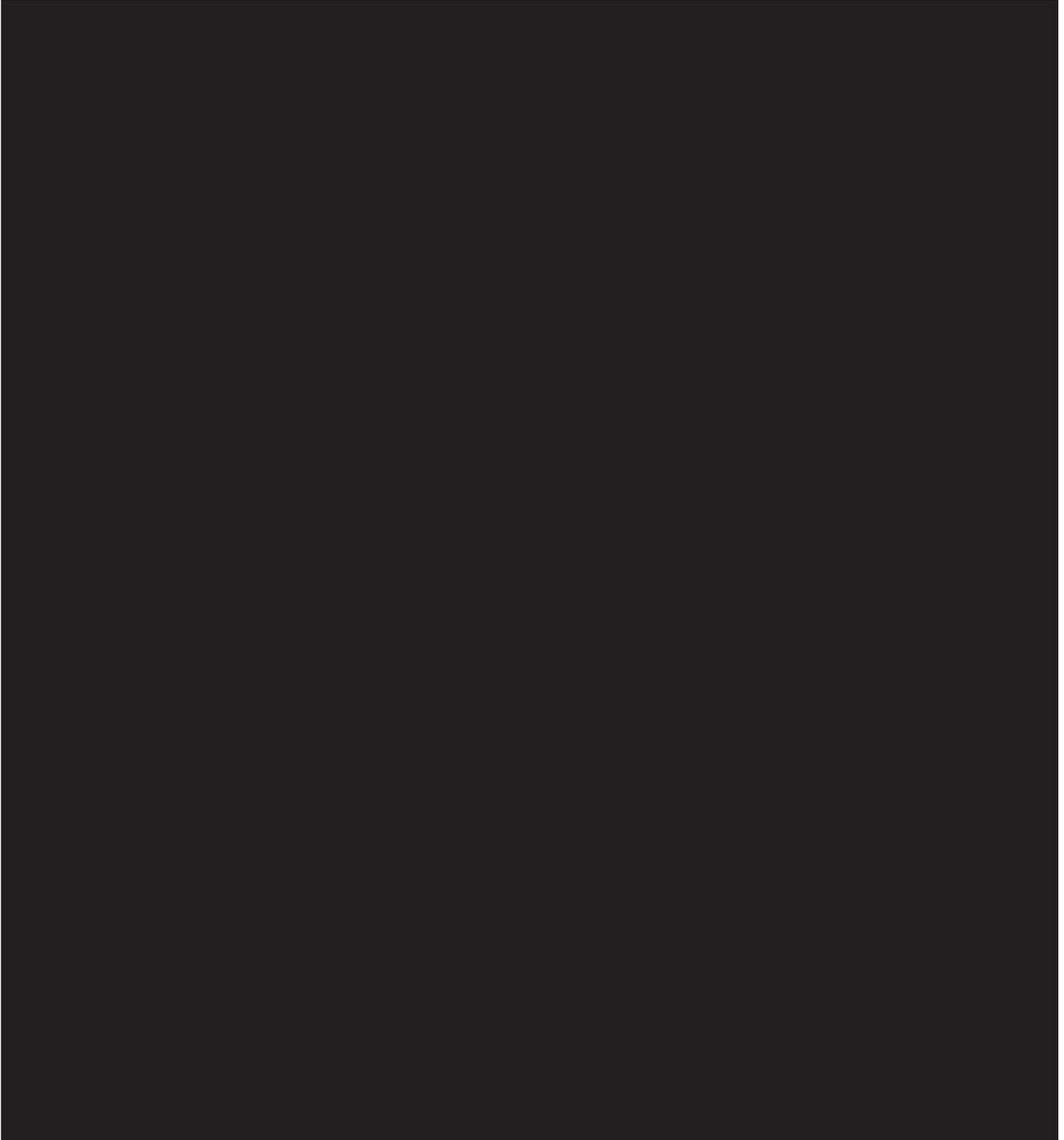


Note 2 – Marketable Securities and Other Cost Method Investments:



CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

Note 2 – Marketable Securities and Other Cost Method Investments: (continued)



CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

Note 2 – Marketable Securities and Other Cost Method Investments: (continued)



CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

Note 5 – Accumulated Other Comprehensive Income:



CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

Note 5 – Accumulated Other Comprehensive Income: (continued)



CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

Note 6 – Income Taxes:



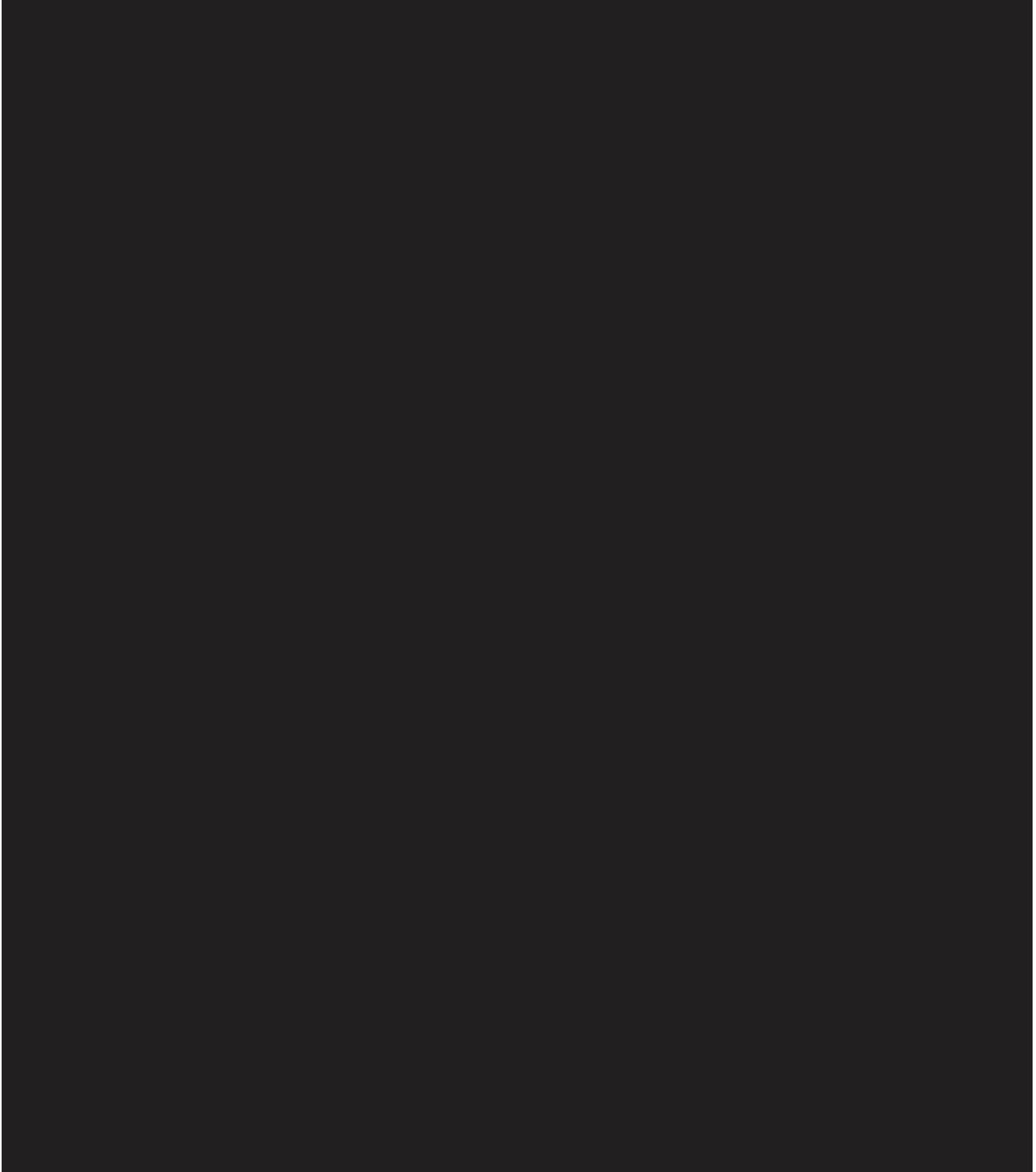
CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

Note 7 – Employee Benefits: (continued)



CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

Note 7 – Employee Benefits: (continued)



CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

Note 7 – Employee Benefits: (continued)



CUMBY TELEPHONE COOPERATIVE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

Note 9 – Concentrations: (continued)



SUPPLEMENTARY INFORMATION

CUMBY TELEPHONE COOPERATIVE, INC.
COMPARATIVE BALANCE SHEETS
December 31

Assets



CUMBY TELEPHONE COOPERATIVE, INC.
COMPARATIVE BALANCE SHEETS
December 31

Liabilities and Equity



REDACTED - FOR PUBLIC INSPECTION

**CUMBY TELEPHONE COOPERATIVE, INC.
COMPARATIVE STATEMENTS OF OPERATIONS
For the Years Ended December 31**



SUPPLEMENTARY INFORMATION - See Independent Auditor's Report.

CUMBY TELEPHONE COOPERATIVE, INC.
COMPARATIVE STATEMENTS OF CASH FLOWS
For the Years Ended December 31



SUPPLEMENTARY INFORMATION - See Independent Auditor's Report.